

Media & Broker Presentation

26 February 2008



Pyne Gould Corporation

Interim Results to 31 December 2007

Agenda

- **PGC Performance and Highlights**

Sam Maling (Chairman)

- **Individual Business Performances**

Brian Jolliffe (Managing Director)

- **Financials**

Alan Williams (Chief Financial Officer)

- **Summary and Outlook**

Sam Maling

- **Questions**



Pyne Gould Corporation

PGC Performance and Highlights



Pyne Gould Corporation

Half Year Highlights

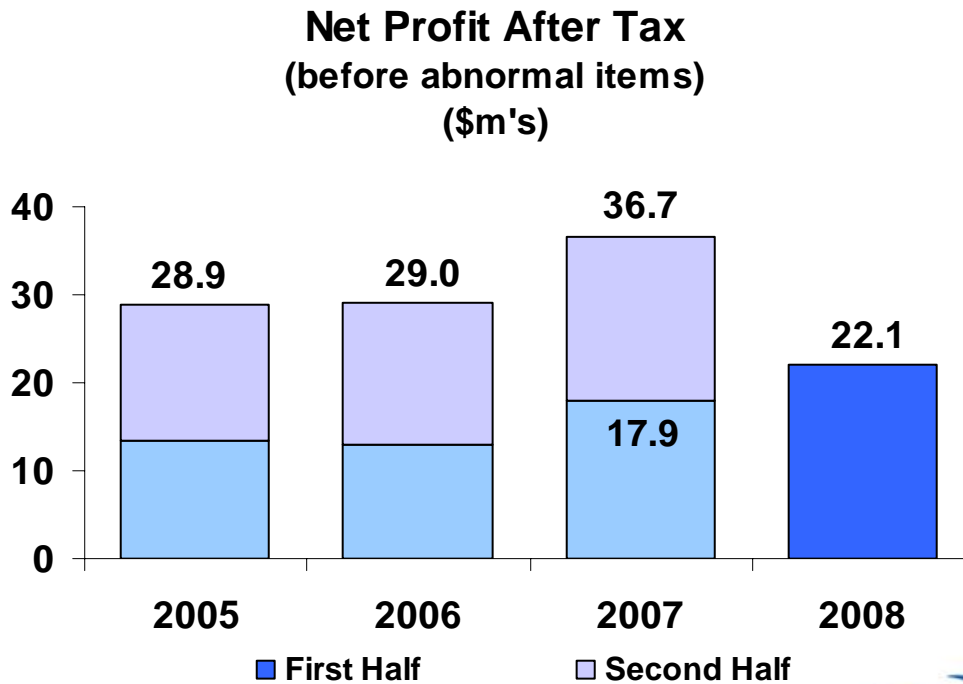
- Net profit up 23% to \$22.1m (last year \$17.9m)
- Interim dividend increased to 10 cents (last year 9 cents)
- MARAC up 11% to \$14.0m
- Perpetual Trust up 19% to \$1.8m
- PGG Wrightson contribution of \$7.5m (last year \$4.6m)



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Financial Result

- Net profit after tax of \$22.1m (\$17.9m)

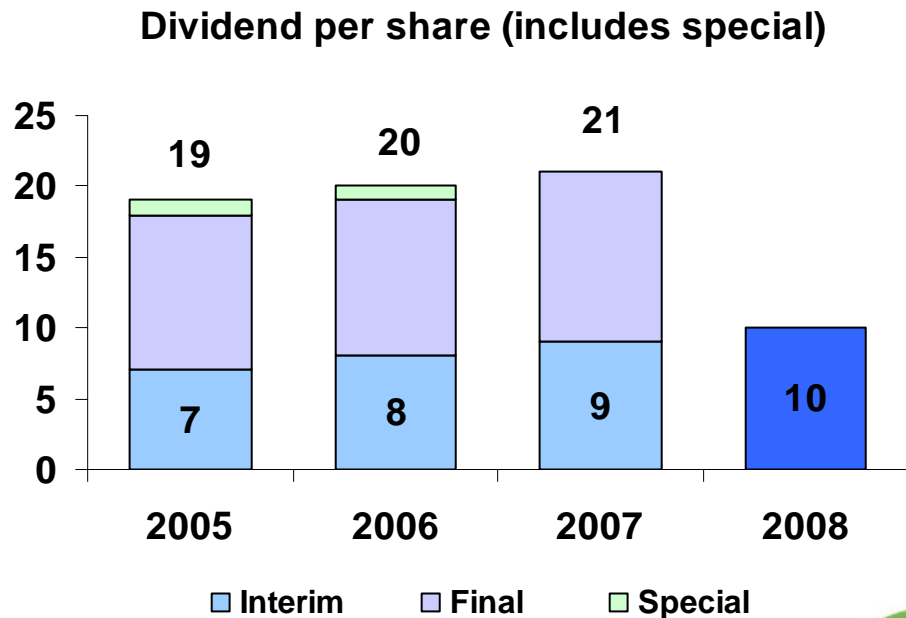



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2007 & 2008 years are reported under IFRS standards

Dividend

- Interim dividend of 10 cps (last year 9 cps)
- Fully imputed



Individual Businesses Performance



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MARAC[®]
MEANS FINANCE

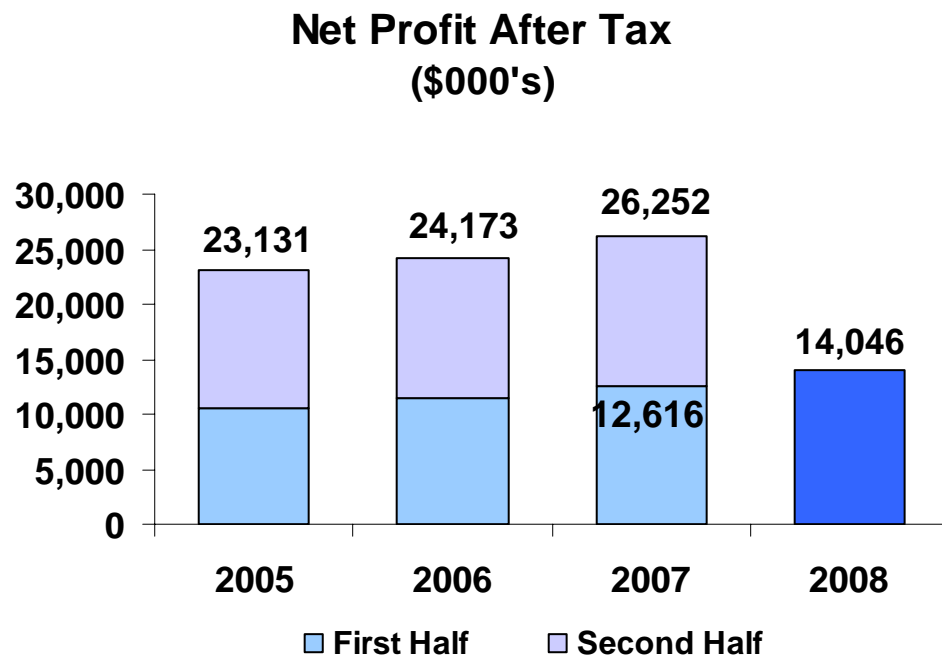
The logo features the word "MARAC" in a bold, dark blue, sans-serif font. The letter "A" is stylized with a light blue arrow pointing to the right. Below "MARAC" is the tagline "MEANS FINANCE" in a smaller, dark blue, sans-serif font. The entire logo is centered on a white rectangular background.

MARAC Finance

- Net profit after tax up 11% to \$14.0m
- Finance receivables up 11% in the 6 months to \$1.5bn
- Growth across most Business units
- Development of new funding initiatives
- Quality in credit remains a feature

Net profit after tax

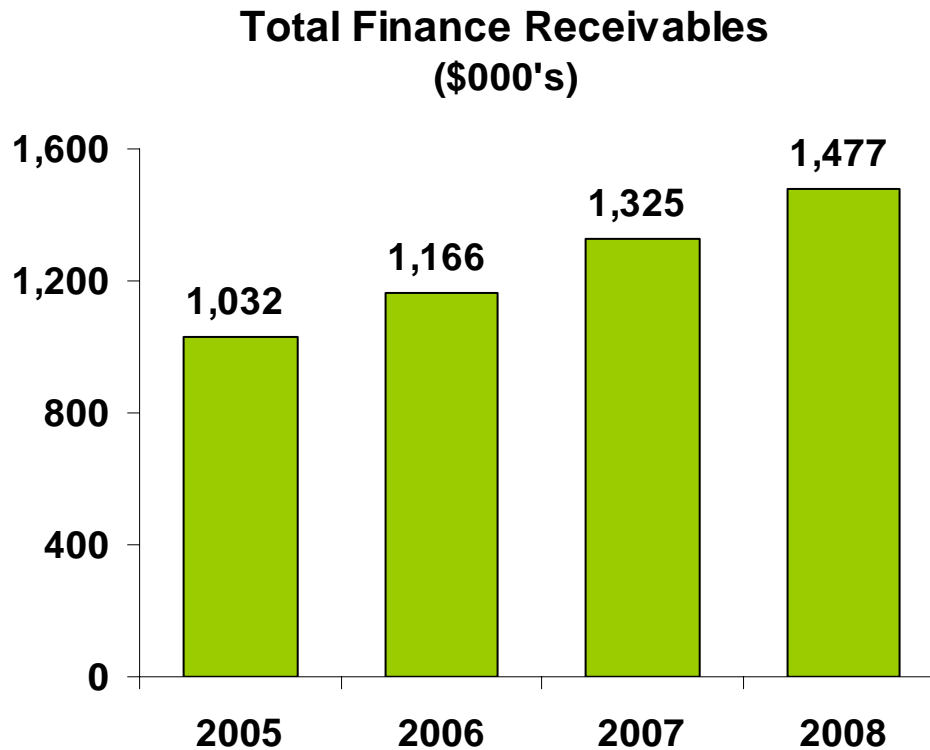
- Up 11% to \$14.0m
- Net operating revenue growth of 20%



2007 & 2008 years are reported under IFRS standards

MARAC Finance receivables

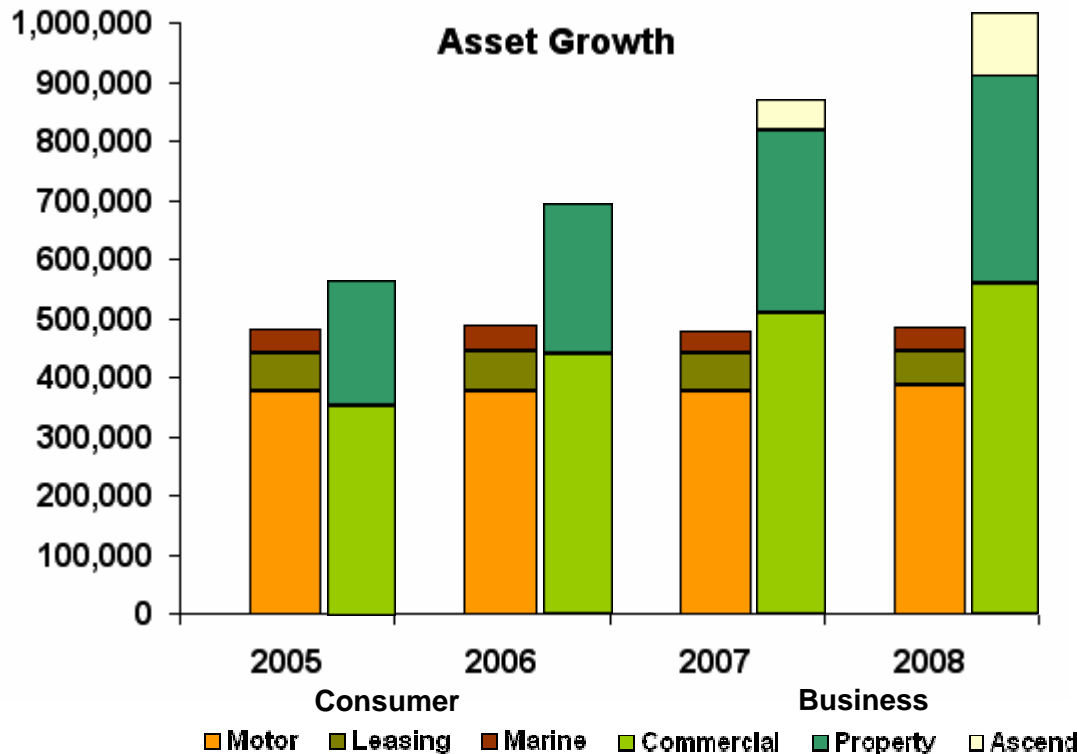
- Up 11% in the 6 months to \$1.5bn



2007 & 2008 years are reported under IFRS standards

MARAC Finance receivables

- Growth focus continues in Business with Ascend now well established
- Consumer has seen some growth

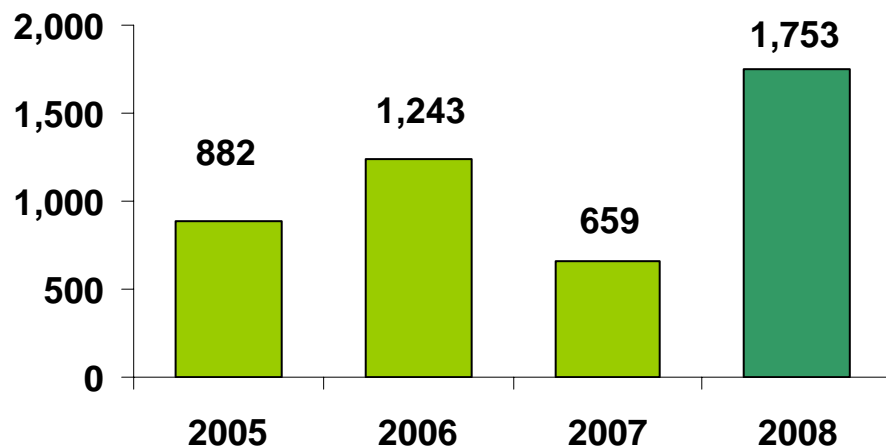


2007 & 2008 years are reported under IFRS standards

Impaired asset expenses

- Credit quality focus continues
- First half impaired asset expense \$1.8m
- Arrears position below 0.5%

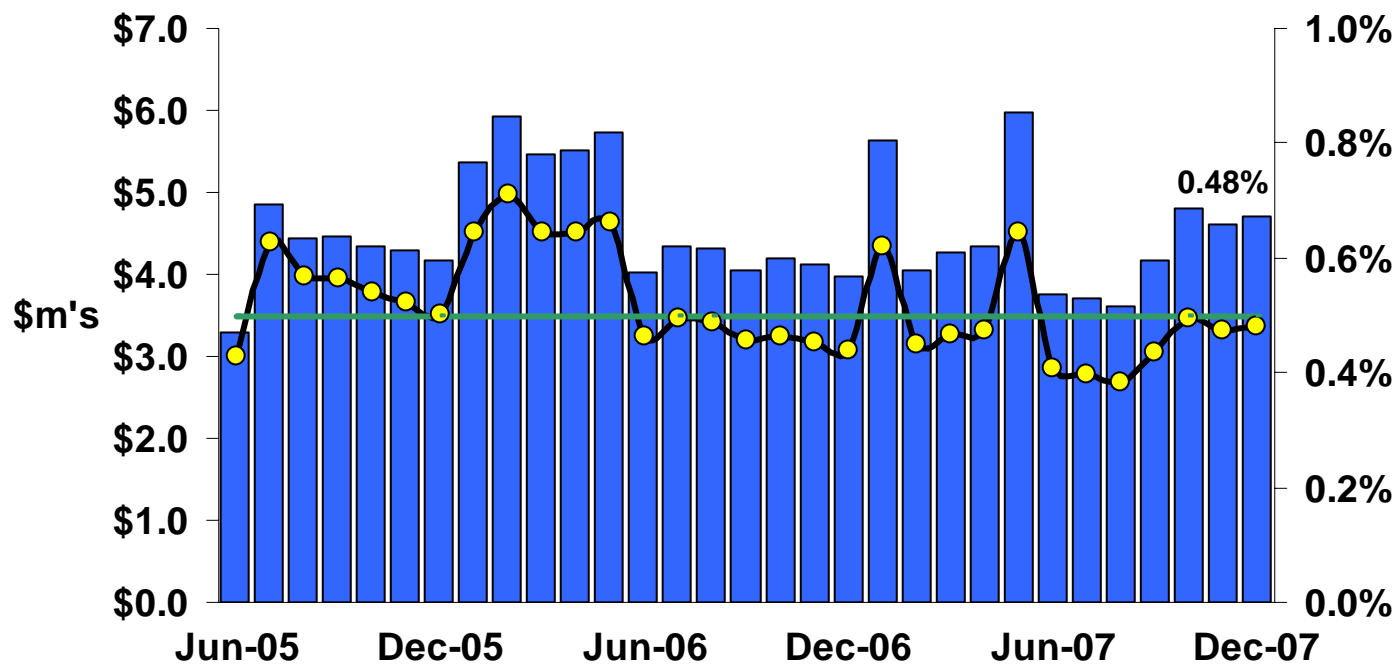
Impaired Asset Expense
First Half (\$000's)



2007 & 2008 years are reported under IFRS standards

Credit arrears – all divisions

- Focus on credit quality continues
- All ledgers below 1% arrears
- A feature of quality business writings and targeted sectors



Ascend Finance



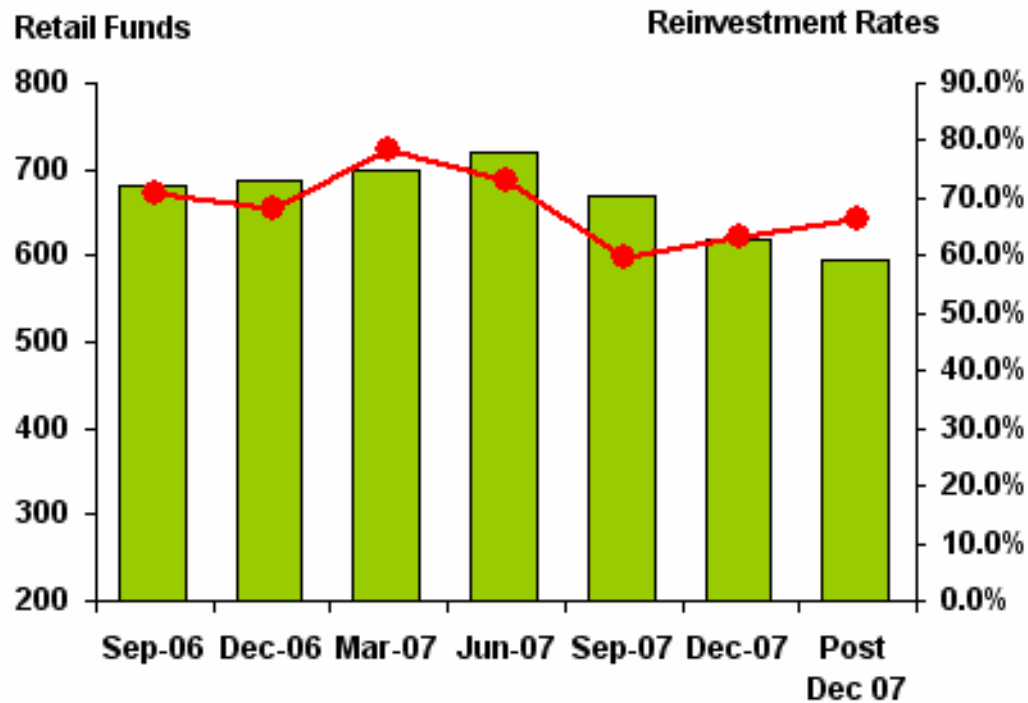
- **New division of MARAC commenced 1 February 2007**
- **Aimed at higher return commercial, consumer and property**
- **At 31 December receivables had reached \$100m**
- **Feasibility parameters all achieved**
- **Further growth expected**

Funding environment

- Industry issues locally coupled with global credit challenges
- MARAC's "Investment grade" rating from Standard and Poors reaffirmed (October)
- Retail funding only affected
- New funding channels have been developed

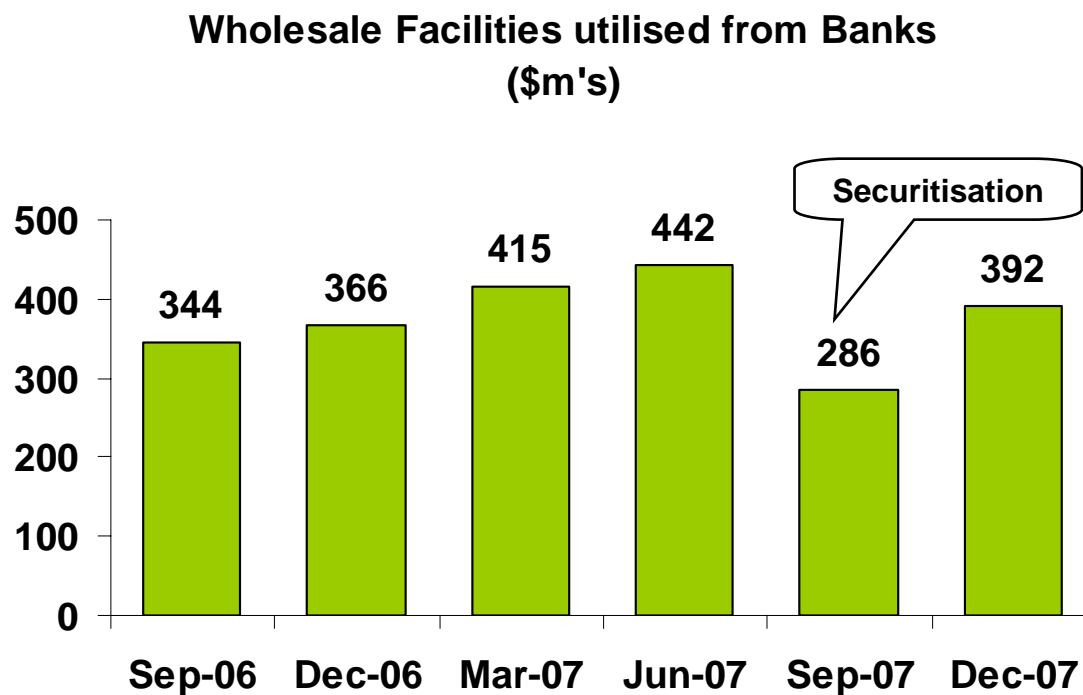
Retail funding growth

- Customer loyalty keeps reinvestment rate up
- New funds have slowed



Wholesale funding (banks)

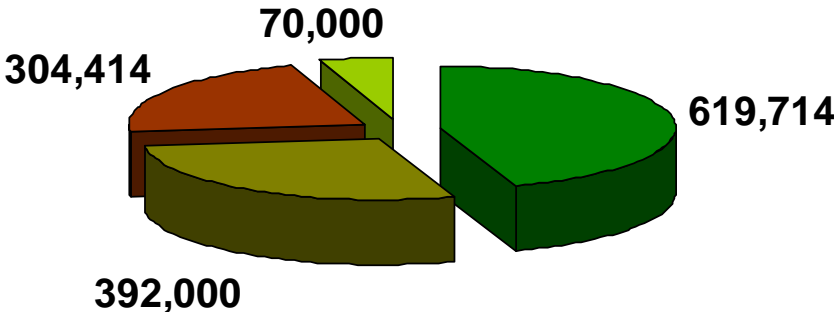
- Utilisation reduced following securitisation



Funding sources 31 December 2007

- Retail reduced to 45%
- Wholesale from Banks reduced to 33%
- Securitisation of \$300m added in August 2007

Funding Sources - December 2007
(\$000's)



■ Retail ■ Bank ■ Securitisation ■ Undrawn Facilities

Funding – new facilities

- **New syndicated bank facility being finalised**
 - Includes all major New Zealand banks
 - Will enable growth through 2008 and provide greater liquidity
- **Additional initiatives being developed**

MARAC current business position

- **Current market is providing significant opportunities**
- **Credit quality remains sound**
- **Significant initiatives implemented for funding. More to be finalised.**
- **Organic growth strategies still the feature of strategy**
- **Some pressure on margins is occurring from global “credit crunch”**
 - **we are proactively increasing our prices**



Perpetual Trust

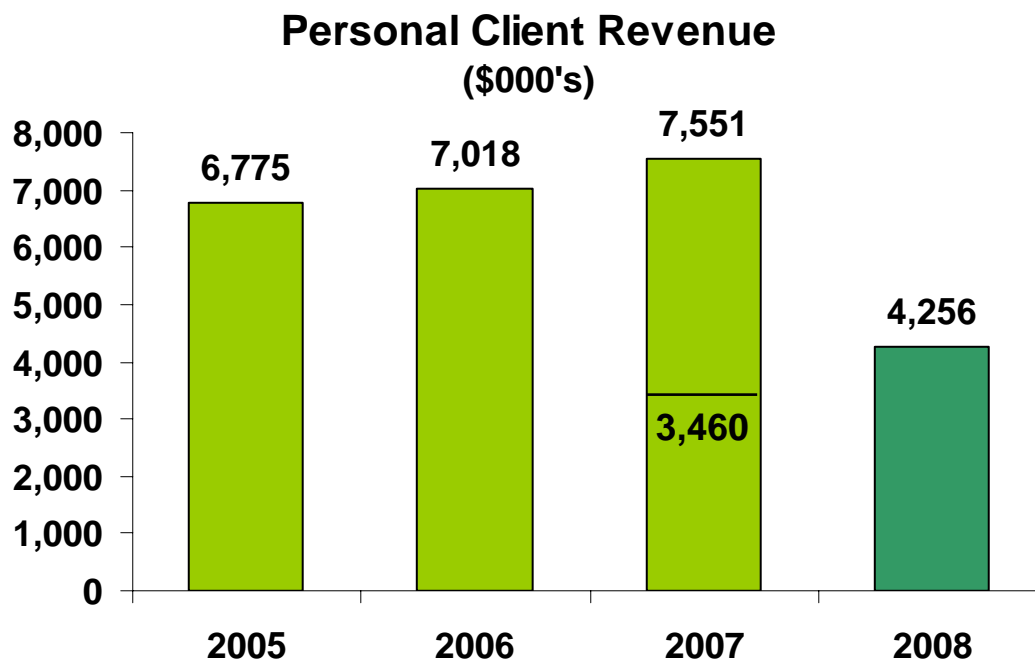
Perpetual Trust Limited

- Net operating surplus of \$1.8m up 19% on last year
- Revenue growth up 17% over same period last year
- Revenue growth spread across all divisions



Perpetual - personal

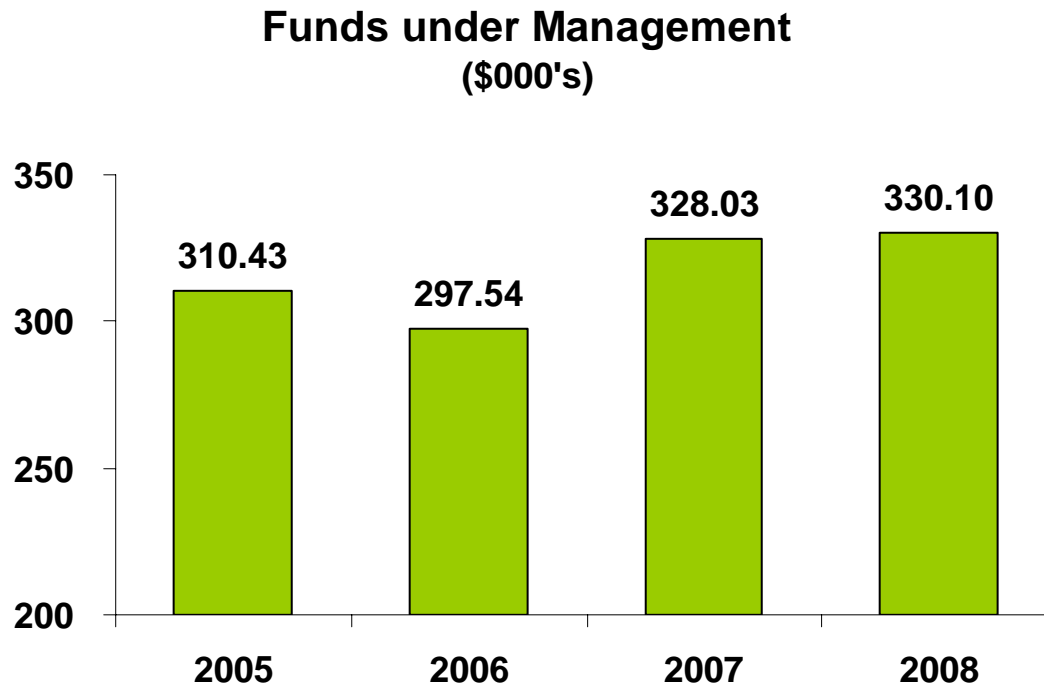
- New Trusts and Investment Advisory major contributors
- New and revised wills investment for the future



Perpetual Trust

Perpetual – managed funds

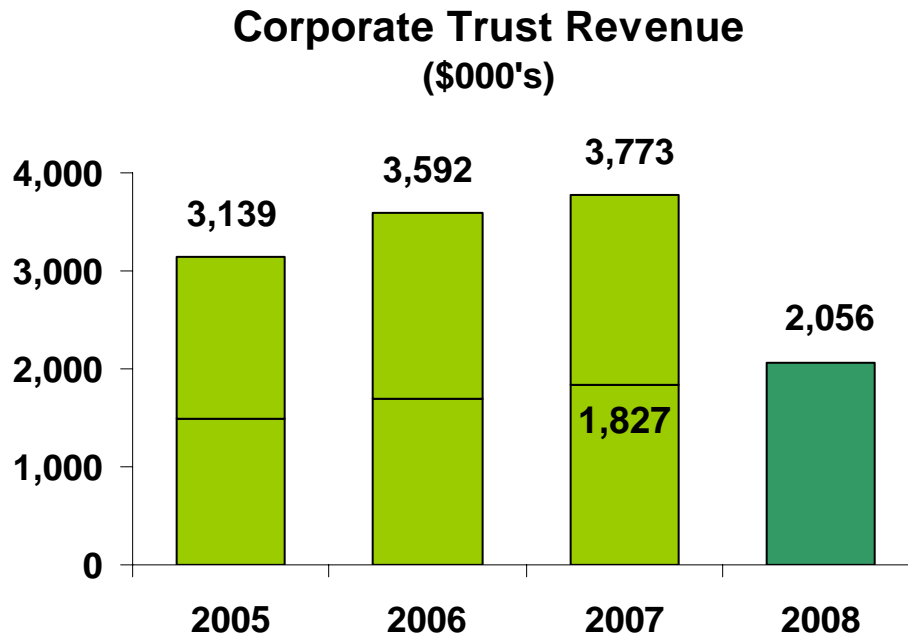
- Modest growth
- Positioned for expected growth



Perpetual Trust

Perpetual - corporate

- Revenue up 13%
- Spread from new clients and existing
- Increased market share in retirement villages



2007 & 2008 years are reported under IFRS standards



Perpetual Trust

Perpetual Trust - current business position

- Business has increasing revenues which are expected to continue
- Strong and increasing client base
- Positioned for growth in funds business



Perpetual Trust



PGG Wrightson Limited

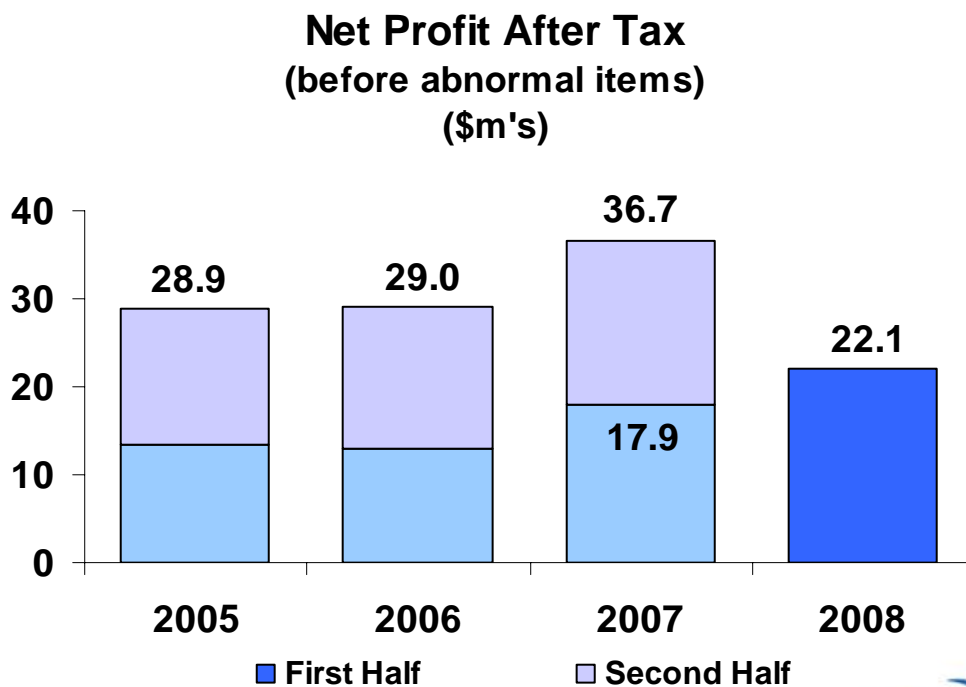
- Net profit after tax \$34.6m (last year \$20.6m)
- Improving performance in most businesses notwithstanding poor sheep prices
- Strong returns from the early success of NZ Farming Systems Uruguay
- Fundamentals for the outlook in agriculture remain strong
- Contribution to PGC \$7.5m (last year \$4.6m)



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PGC Financials

- Strong growth in first half profits

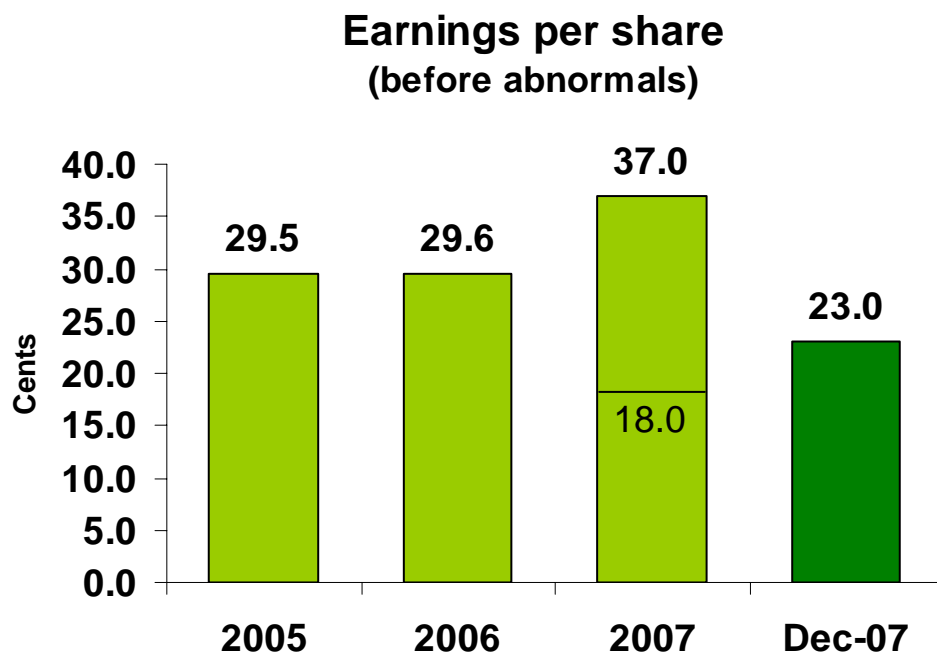



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Earnings Per Share

- Ongoing increase in Earnings Per Share
- Generated across all business units

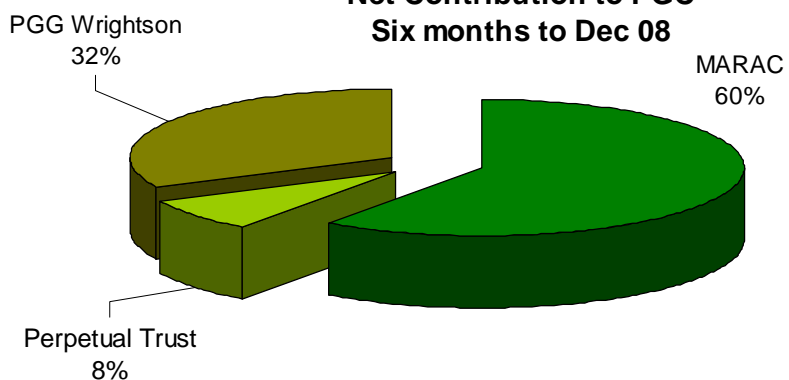


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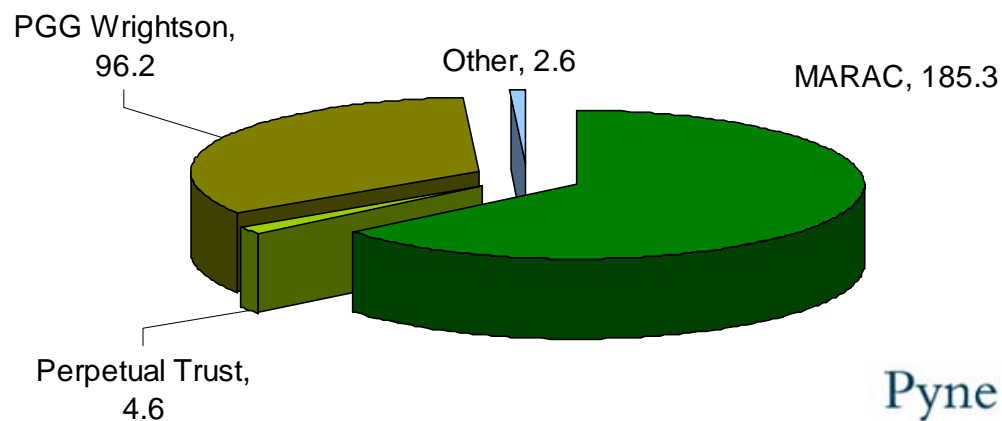
2007 & 2008 years are reported under IFRS standards

Contribution to earnings

**Net Contribution to PGC
Six months to Dec 08**

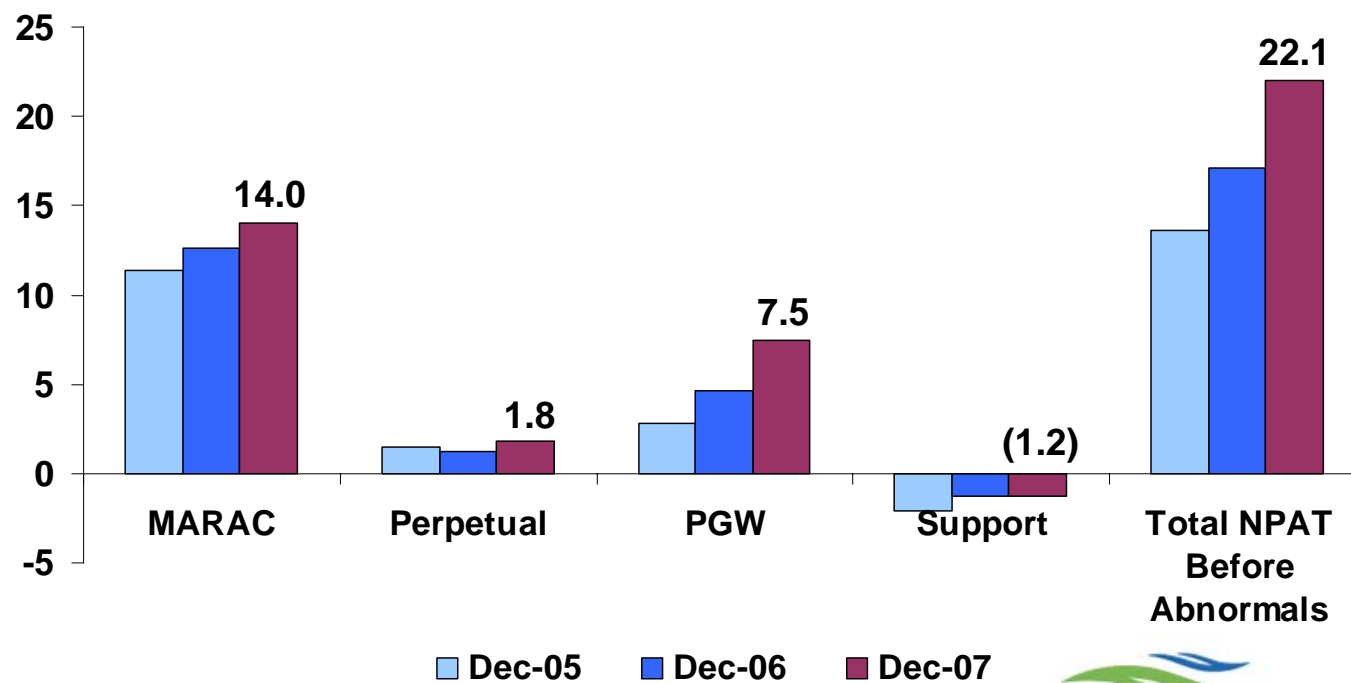


**PGC Investment
(\$m)**



Earnings Growth

Business Contributions



2007 & 2008 years are reported under IFRS standards


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IFRS at PGC

- Improved disclosure standards
- Some classification changes
- Timing and recognition (+/- \$1-2m pa)
- Permanent profitability changes (+\$6m)



Pyne Gould Corporation



Pyne Gould Corporation

Summary – Pyne Gould Corporation

MARAC

- Growth continues and opportunities are significant
- New funding initiatives are mitigating “retail changes”
- Margins are tightening

Perpetual

- Revenue and growth expected to continue
- Positioned for further growth

PGG Wrightson

- Outlook for agriculture remains strong
- PGW reaffirmed its outlook for year end

FULL YEAR OUTLOOK

– Expected to be above last year



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